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Construction of additional conference facilities at the Vienna International Centre, and construction of additional office facilities at the Economic Commission for Africa in Addis Ababa

Report of the Secretary-General

Summary

In section X of its resolution 62/238, the General Assembly took note with appreciation of the efforts of the Government of Austria, as host country, to construct conference facilities at the Vienna International Centre. Part one of the present report provides information on progress made in the construction of additional conference facilities at the Vienna International Centre since the issuance of the last report of the Secretary-General (A/62/358).

Part two relates to the current status of the project for the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa. It is recalled that the General Assembly, by its resolutions 56/270, 60/248 and 62/238, had approved this project at a total estimated cost of $14,333,100. In accordance with the request made by the General Assembly in its resolution 56/270, the present report provides information on the progress made in the implementation of the project since the issuance of the previous report of the Secretary-General (A/62/487).

* A/63/150 and Corr.1.

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I. Introduction

1. The present report is submitted in two parts. The first part deals with the construction of additional conference facilities at the Vienna International Centre, while the second part addresses the construction of additional office facilities at the Economic Commission for Africa (ECA) in Addis Ababa.

2. With regard to part one, in section X of its resolution 62/238, the General Assembly took note with appreciation of the efforts by the Government of Austria, as host country, to construct conference facilities at the Vienna International Centre, as detailed in the last report of the Secretary-General (A/62/358). It also endorsed the related observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions (see A/62/7/Add.9). Part one of the present report outlines the current status of the project and progress to date since the issuance of the last report of the Secretary-General.

3. Part two of the report relates to the current status of the project for the construction of additional office facilities at ECA in Addis Ababa. By its resolution 56/270, the General Assembly approved the project, with a total area of approximately 6,770 square metres, and the utilization of an amount of $7,711,800 for that purpose, to be financed from within the available balance of the construction-in-progress account. Subsequently, in section VII of its resolution 60/248, the Assembly took note of the report of the Secretary-General (A/60/532) and endorsed the related recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/60/7/Add.21, para. 12) to expand the scope of the project to include the construction of two additional floors that would be completed simultaneously with the originally approved four floors. The total capacity of the new office facilities would be 9,550 square metres, at a total estimated project cost of $11,383,300. In section IX of its resolution 62/238, the General Assembly approved the report of the Secretary-General (A/62/487) and endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/62/7/Add.11) for a total revised estimated project cost of $14,333,100. In accordance with the request of the Assembly in its resolution 56/270, progress reports are submitted to it on an annual basis. The present report provides information on the progress made in the implementation of the project since the issuance of the previous annual report of the Secretary-General.

II. Part one: construction of additional conference facilities at the Vienna International Centre

Status of development of the project

4. The building permit for the new conference facility (M building) at the Vienna International Centre was obtained in July 2006, and construction work began in late August 2006. The construction will be completed in the second half of 2008. The official inauguration ceremony for the new building, organized and hosted by the Ministry of Foreign Affairs of Austria and the City of Vienna, was held on 25 April 2008 and was attended by the Secretary-General. The implementation of certain installations included in the original design will take place after the M building is handed over to the organizations based at the Vienna International Centre by the host Government. While this situation is not ideal, it is anticipated that this will not

cause disruption in the provision of meeting services. Movement into the M building as swing space for the period of asbestos removal in the C building is scheduled for 2008. This includes moving conference servicing equipment from the C building and eventually all meeting activities to the M building. Since the move will take place during the busy meeting season in the Vienna International Centre, some inconvenience for participants can be anticipated, although efforts will be made by conference services staff and other support services to make it as smooth as possible. Following completion of the asbestos removal and refurbishment project, it is envisaged that the M and C buildings will be used by the four organizations based at the Vienna International Centre, namely, the International Atomic Energy Agency (IAEA), the United Nations Office at Vienna, the United Nations Industrial Development Organization (UNIDO) and the Preparatory Commission of the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO).

United Nations contribution to the construction of additional conference facilities at the Vienna International Centre

5. Under the terms of a memorandum of understanding signed on 18 October 2004, which set a ceiling of €52.5 million for the construction of additional conference facilities, the four organizations based at the Vienna International Centre (IAEA, UNIDO, CTBTO and the United Nations Office at Vienna) would collectively contribute €2.5 million using the cost-sharing ratios based on the projected utilization of the new conference facilities. The United Nations share of the contribution is set at 4 per cent (€100,000) and included in the programme budget for the biennium 2008-2009 under section 32, Construction, alteration, improvement and major maintenance.

Maintenance costs of the additional conference facilities at the Vienna International Centre

6. No additional operational and maintenance costs are anticipated for the period during which the new facility is used as swing space when the removal of asbestos from and refurbishment of the existing conference building (C building) are in progress. Once the asbestos removal project is completed, it will be necessary for the organizations based at the Vienna International Centre to share the additional maintenance and operational costs relating to the utilization of the building, as well as additional security and safety costs in order to meet headquarters minimum operating security standards. The present cost-sharing formula, which is based on actual usage of space, will be applied to apportion the costs among the four organizations for their utilization of the entirety of the conference facilities available at the Vienna International Centre (i.e., the C and M buildings combined). The related financial requirements will be dealt with in conjunction with other common support costs in the context of the proposed programme budget for the relevant biennium. The M building, being a new building with many cost-saving features, is expected to be less expensive to maintain than other buildings at the Vienna International Centre. Nevertheless, since the conference capacity will be taken as a combined whole, all the organizations based at the Vienna International Centre will benefit proportionately from the M building's efficiency features.

Asbestos removal project

7. The asbestos removal work at the Vienna International Centre, which began in November 2004, will continue during the biennium 2008-2009 and beyond. All direct costs related to the removal of asbestos are to be borne by the host Government. Asbestos removal in the A, B, D and E buildings of the Vienna International Centre has been completed. The removal is progressing in the F and G building, the main components of which should be completed by the end of 2008, while other special areas in the non-office areas in the basements are to be completed by the end of 2009. The start of asbestos removal in the C building depends on the transfer of all meetings-related activities to the M building. The C building will be closed for a prolonged period of time, during which conference equipment is to be upgraded. Accordingly, the total project plan is expected to be completed by mid-2011. During the time of the asbestos removal in the C building, the organizations based at the Vienna International Centre will share the M building as a conference facility. Peak meeting periods will require the use of additional facilities, such as the Austria Centre Vienna, which Austria, the host country, provides. It is anticipated that such additional facilities will be required only exceptionally once both the M and C buildings are fully functional.

III. Part two: construction of additional office facilities at the Economic Commission for Africa in Addis Ababa

Host country addendum for duty-free and tax-free status and site works

8. In his previous annual report (A/62/487), the Secretary-General informed the General Assembly that the addendum to the host country agreement had been signed by the host country Government and the United Nations. The addendum gives ECA rights to the duty-free and tax-free import of services and materials and other related privileges that will allow the efficient and cost-effective implementation of the project. However, the host country has recently announced, in their Directive No. 24/2008, that customs duties and related value added tax (15 per cent) are to be paid up front and would then be reimbursed after applicable customs declarations and clearances have been processed. ECA is presently negotiating with the local authorities to waive this requirement, as is typical for construction projects of this magnitude.

9. ECA continues to collaborate with the local authorities on the construction of the alternate public access road, which includes the removal of the storm drain and relocation of service utilities. ECA has had formal communications and meetings with local authorities on those relocations, and the Addis Ababa municipality remains positive as to their timely removal and relocation. However, there are as yet no actual works on site to this effect. As already indicated by the Secretary-General in his previous report, in the event that the access road is not relocated prior to the start of construction, it will be necessary for ECA to build a temporary road, which would be an additional cost to the United Nations.

Status of development of the project

10. The final amendments to the contract with the international architect were signed on 13 June 2007, and the architect submitted construction drawings at the

end of August 2007. However, following an in-depth review by the Facilities Management Services in ECA and at United Nations Headquarters, the drawings required further revisions, and the revised documents were accepted in December 2007 from the international architect as part of the final contract negotiations. The construction documents were received in January 2008, which enabled the United Nations to hire a local architect to continue the work. The construction tender was initiated shortly thereafter, and the final tender was issued on 20 May 2008. A bidders' conference was held in Addis Ababa on 6 June 2008. Owing to multiple requests from bidders that the submission date be extended in conjunction with the closure of factories in Europe during the month of August, the original bid submission date was extended by six weeks to 12 September 2008. Following the receipt of the bid submissions, technical and financial evaluations and contract negotiations will be conducted. It is expected that the contract will be awarded in December 2008 and that the construction work will commence immediately thereafter.

11. With regard to the local contract referred to above, owing to all the difficulties encountered in coordination with the international architect as outlined by the Secretary-General in his report (A/62/487), the local architect was selected in December 2007 to oversee the day-to-day construction management of the project. The contract was signed in July 2008.

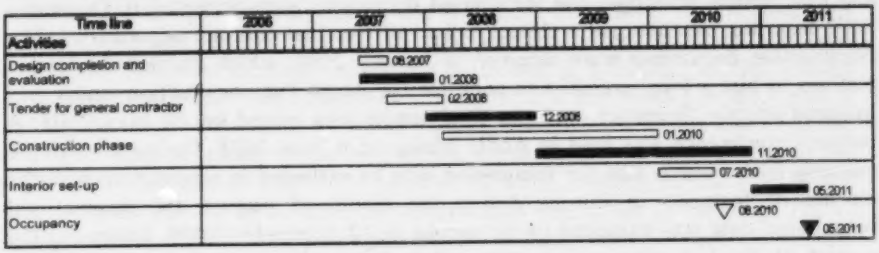
12. In October 2007, an expression of interest, followed by a tender, was issued for a quantity surveyor service. Only one company submitted a proposal, but it was rejected since the cost for their services far exceeded the budgeted amount for the project. A part-time local quantity surveyor service is in the process of being evaluated as part of an existing contract that the United Nations Office at Nairobi has in place with local United Nations approved quantity surveyor services. The part-time quantity surveyor will report directly to the Facilities Management Service at Headquarters to ensure independent control over the various aspects of the construction, including verification of the contractors' invoices.

13. As outlined by the Secretary-General in his report, and endorsed by the General Assembly in its resolution 62/238, a supplemental parking structure was approved to be incorporated onto the land provided to the United Nations by the host country. With the recent signing of the local architect's contract, a study can now begin on the incorporation of this structure and the associated landscaping in relation to the new office building.

Project schedule

14. Owing to delays in the final negotiations with the international architect in November and December 2007, the issuance of the revised construction documents, the required in-depth coordination of the tender documents, and the extension of the bid submission date, a revision of the project schedule has accordingly been necessary as outlined in the table below. The building is now expected to be completed in November 2010 instead of January 2010, followed by interior set-up of approximately six months duration.

Revised project schedule for the additional office facilities at the Economic Commission for Africa



Legend :

Project schedule envisaged in the report of the Secretary-General (A/62/487)

Current revised project schedule

Parking policy

15. In accordance with the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/62/7/Add.11, para. 9), in 2007 ECA reviewed the possibility of implementing a parking fee policy to become effective in January 2008. The policy is now being finalized for implementation in October 2008. As noted in the last annual report of the Secretary-General, once the policy is in effect, it is expected to generate $54,000 per year based on the current parking capacity of 600 cars (half of which will be designated for free use), and $172,800 per year after the supplementary parking facility, with capacity for 660 cars, is completed. Income generated from parking fees will be credited to Income section 2 of the proposed programme budget in this and following bienniums.

IV. Actions to be taken by the General Assembly

16. **The General Assembly may wish to take note of the present progress report.**

Annex

Detailed cost plan for additional office facilities at the Economic Commission for Africa

(United States dollars)

			Projected expenditure			
	Total amount	*Expenditure as at 30 June 2008*	*July-December 2008*	*2009*	*2010*	*2011*
Approved by resolutions 56/270 and 60/248						
Construction costs	7 488 600	9 050	1 488 670	3 369 870	2 489 959	131 051
Design, consultancy services and project coordination	2 102 233	1 207 725	138 330	332 288	298 580	125 310
Site works	1 153 300	29 110	—	899 352	224 838	—
Workstations and furniture	262 800	—	—	—	—	262 800
Contingencies	376 367	—	—	188 183	188 184	—
Approved in the programme budget for the biennium 2008-2009						
Installation of information technology and telephone equipment	1 100 000	—	—	—	880 000	220 000
Approved by resolution 62/238						
Safety and security	759 800	—	—	409 800	350 000	—
Internal access roads	130 000	—	—	45 500	45 500	39 000
Parking and landscaping	660 000	—	—	132 000	264 000	264 000
Generators and generator house	300 000	—	—	150 000	150 000	—
Total	**14 333 100**	**1 245 885**	**1 627 000**	**5 526 993**	**4 891 061**	**1 042 161**